

Nonrefundable Individual Tax Credits and Recapture

Arizona Form 301

General Instructions

For assistance, please contact one of the Taxpayer Information and Assistance help numbers:

Phoenix (602) 255-3381
Tucson (520) 628-6421
Other Arizona areas 1-800-352-4090
Form Orders (602) 542-4260
Forms by FAX (602) 542-3756
Recorded Tax Information
Phoenix (602) 542-1991
Other Arizona areas..... 1-800-845-8192
Hearing impaired TDD user
Phoenix (602) 542-4021
Other Arizona areas..... 1-800-397-0256
Internet..... <http://www.state.az.us/revenue>

Individual taxpayers must use Form 301 to claim nonrefundable tax credits. Use this form to:

- summarize your total available nonrefundable tax credits;
- determine the application of the available tax credits;
- summarize your tax liability related to recapture of tax credits.

Line-by-Line Instructions

Enter your name and social security number as shown on Arizona Form 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal identification number. Taxpayers and paid preparers who fail to include the proper TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly. Missing, incorrect, or unclear identification numbers may cause delays in processing the returns.

Part I: Nonrefundable Individual Tax Credits and Recapture

Complete Part I to determine the total amount of available nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers from prior taxable years. On lines 1 through 13, enter the available tax credit amount for each of the credits listed.

Line 1 - Defense Contracting Credit

Enter the amount from Form 302, Part VIII, line 36.

Line 2 - Enterprise Zone Credit

Enter the amount from Form 304, Part XIV, line 49.

Line 3 - Environmental Technology Facility Credit

Enter the amount from Form 305, Part V, line 29.

Line 4 - Military Reuse Zone Credit

Enter the amount from Form 306, Part IX, line 44.

Line 5 - Recycling Equipment Credit

Enter the amount from Form 307, Part V, line 28.

Line 6 - Credit for Taxes Paid to Another State or Country

Enter the amount from Form 309, Part II, line 17.

Line 7 - Solar Energy Credit

Enter the amount from Form 310, line 8.

Line 8 - Agricultural Water Conservation System Credit

Enter the amount from Form 312, Part VI, line 23.

Line 9 - Alternative Fuel Vehicles and Equipment Credit

Enter the amount from Form 313, Part II, line 28.

Line 10 - Underground Storage Tanks Credit

Enter the amount from Form 314, Part II, line 12.

Line 11 - Pollution Control Credit

Enter the amount from Form 315, Part V, line 31.

Line 12 - Construction Materials Credit

Enter the amount from Form 316, Part V, line 24.

Line 13 - Summer School and Jobs Credit

Enter the amount from Form 317, Part IV, Line 9.

Line 14 - Total Available Tax Credits

Add lines 1 through 13. Enter the total. This is the total amount of all nonrefundable tax credits available for your use.

Part II: Application of Tax Credits

Complete Part II to determine which tax credits you will claim and the portion of the available tax credit amount from Part I that you will claim for a particular tax credit.

Line 15 -

Enter the amount of tax from Form 140, line 27, or Form 140PY, line 27, or Form 140NR, line 27, or Form 140X, line 18.

Line 16 -

Enter the amount of tax due from recapture of the environmental technology facility credit on Form 305, Part VI, line 34.

Line 17 -

Enter the amount of tax due from recapture of the recycling equipment credit on Form 307, Part VI, line 33.

Line 18 -

Add lines 16 and 17. Enter the total here and on Form 140, line 28, or Form 140PY, line 28, or Form 140NR, line 28, or Form 140X, line 19.

Line 19 -

Add lines 15 and 18 and enter the total here. This is the amount of tax liability to which you may apply the total amount of tax credits you claim.

Tax Credits Claimed: The total amount of tax credits you claim cannot exceed the amount of tax entered on line 19. In order for you to determine which tax credit(s) to claim and the amount to claim for a particular tax credit, you must consider any limitations on the allowable amount of a particular tax credit and whether you may carry the unused portion of a particular tax credit forward.

Line 20 - Defense Contracting Credit

There are two tax credits for qualified defense contractors. You may carry the unused portion of both tax credits forward for five succeeding taxable years, regardless of continuing certification as a qualified defense contractor. Enter the amount claimed.

Line 21 - Enterprise Zone Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years, provided the business remains in the enterprise zone. You lose the carryover if the business relocates outside of the enterprise zone. You also lose the carryover if the enterprise zone is terminated. Enter the amount claimed.

Line 22 - Environmental Technology Facility Credit

You may carry the unused portion of this tax credit forward for fifteen succeeding taxable years. If you are subject to the tax related to recapture of this tax credit for the facility, you lose the carryover of the tax credit.

The portion of the available credit amount from Part I, line 4, that you may claim is limited to 75 percent of the amount of tax entered on line 19. Enter the amount claimed.

Line 23 - Military Reuse Zone Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years if the business remains in the military reuse zone. You lose the carryover if the business relocates outside of the military reuse zone. Enter the amount claimed.

Line 24 - Recycling Equipment Credit

You may carry the unused portion of this tax credit forward for fifteen succeeding taxable years. The carryforward period limitation applies separately to each piece of recycling equipment for which you compute a credit. You must use the unused credit carryovers from prior taxable years before you claim the current taxable year's credit. If you are subject to the tax related to recapture of this tax credit for a particular piece of recycling equipment, you lose the portion of the unused credit carryovers related to that recycling equipment.

The portion of the available credit amount from Part I, line 6, that you may claim is limited to the *lesser* of 25 percent of the amount of tax entered on line 19 or \$5,000. Enter the amount claimed.

Line 25 - Credit for Taxes Paid to Another State or Country

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

Line 26 - Solar Energy Credit

You may carry the unused portion of this credit forward for five succeeding taxable years. Enter the amount claimed.

Line 27 - Agricultural Water Conservation System Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. Enter the amount claimed.

Line 28 - Alternative Fuel Vehicles and Equipment Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. Enter the amount claimed.

Line 29 - Underground Storage Tanks Credit

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

Line 30 - Pollution Control Credit

You may carry the unused portion of this credit forward for five succeeding taxable years. Enter the amount claimed.

Line 31 - Construction Materials Credit

You may carry the unused portion of this credit forward for five succeeding taxable years. Enter the amount claimed.

Line 32 - Summer School and Jobs Credit

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

Line 33 - Total Tax Credits Claimed

Add lines 20 through 32 and enter the total here. This amount cannot exceed the amount of tax entered on line 19. Enter the amount from this line on Form 140, line 31, or Form 140PY, line 31, or Form 140NR, line 30, or Form 140X, line 22.